

Observations on the injurious  
consequences of the  
restrictions upon foreign  
commerce

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# **OBSERVATIONS**

**ON THE INJURIOUS CONSEQUENCES OF**

**THE RESTRICTIONS**

**UPON**

**FOREIGN COMMERCE:**

**ADDRESSED TO**

**THE PRESIDENT OF THE BOARD OF TRADE,**

**BY A**

**MEMBER OF THE LATE PARLIAMENT.**

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## ADVERTISEMENT.

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AS the determination, to dissolve the late Parliament, was taken when the following Observations were about to be sent to the press, their publication has been delayed ; as it was not to be expected, that such subjects would occupy deliberate attention, while the country was involved in the bustle and confusion of a general election. It is now, however, to be hoped, that they are among the earliest topics, that will employ the deliberations of the new Parliament.

*March 20, 1820.*

## ADVERTISEMENT

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TO

THE RIGHT HONOURABLE

**FREDERICK ROBINSON, M.P.,**

PRESIDENT OF THE BOARD OF TRADE.

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SIR,

I take the liberty of addressing the accompanying Observations on the Restrictions which affect the Foreign Commerce of this Country, to you ; and from the situation you hold in His Majesty's government, I hope I may not be considered presumptuous in doing so ; for, intimately acquainted as you are with the subject, you must, in common with every well-wisher to the country, be anxious, that the principles, which are to govern our commercial policy in a time of peace, should undergo the most deliberate investigation, because upon the determination which [is made on this important question,

the prosperity of every class of the community must ultimately depend.

Our commercial regulations must very soon engage the deliberation of Parliament; and although the present Observations are drawn up in a hurried manner, I hope they may be of some use in leading those persons to consider the subject, whose practical experience of the injurious consequences of these regulations does not yet seem to have awakened their attention to them.

I have considered it necessary, to make some preliminary remarks on the consequences, which have been produced upon the transactions of the country by the appointment of the Bank Committee; for I feel, that it is impossible to account fully for the difficulty and distress, under which the nation has laboured during the last fifteen months, in any other manner.

The only apology I can offer for my intrusion upon your attention is, my desire to promote a full discussion of the subjects,

to which these observations refer; and as they are so extensively connected with the public welfare, I am sure I need offer no stronger one to you. I have the honour to be, with much respect,

SIR,

Your most obedient humble Servant,

THE AUTHOR.

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to which these observations are so extensively connected with the public welfare, I am sure I need offer no strong one to you. I have the honour to be, with much respect,

Sir,

Your most obedient humble servant,

John A. Smith

## OBSERVATIONS,

&c.

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**EVERY** man, who has paid ordinary attention to the passing events in this country, must have his mind strongly impressed with the imminent danger, to which the whole scale of our society has been exposed during the last six years, by the constant recurrence of distress and want of employment, under which a great part of our population have laboured,—a distress and want of employment, always aggravated by the machinations of wicked and designing men, who avail themselves of such periods, to instil feelings of sedition and rebellion into the minds of the labouring population, and endeavour to direct them to acts of violence, as the most ready and only effectual mode of relieving their sufferings.

These evils had proceeded so far lately, that there appears to have been an absolute necessity for the prompt and decided steps, which were taken by His Majesty's Government for assembling Par-

liament, and adopting such measures, as were requisite to arrest that spirit of sedition, and rebellion, which was spreading throughout the country. The doctrines connected with these subjects were so boldly advocated and countenanced, as to intimidate the magistrate in the honourable discharge of his duty,—to neutralize the activity of sound feeling among a great portion of the middle classes of society,—and to render property generally insecure.

Whether or not the bills which have been passed were the best that could be adopted, I do not pretend to inquire; however, owing to them, and the bold, manly, and constitutional doctrines, which, through the explanations of various Members of Parliament, have been addressed to the good sense of the country; it is now a subject of congratulation, that present mischief has been arrested.

At the same time, every person seems ready to admit, that the ties which bind society together have been essentially loosened by the repetition of those scenes of distress and disorder,—and that the country is involved in increased difficulty and danger by every return of them; for renewed distress is always accompanied by diminished affections for good order, and



by a bolder assertion of those revolutionary principles, by which it is contended that distress is to be annihilated.

It is, therefore, very interesting, to endeavour to trace the causes, which have occasioned past inconvenience, and to look forward to the future with the view of arresting approaching mischief before it assails us :—in this way, assistance may be afforded in dispelling those feelings of despondency which so extensively prevail, that this country cannot for any length of time be relieved from great depression in the various branches of it's industry.

Since the return of peace, there have been two periods of excessive derangement,—the first, during 1814, 1815, and part of 1816; the last, during 1819, and until the present time.

The causes that occasioned the first may almost entirely be ascribed to those unhinging effects, which naturally arose from the altered state of employment the whole population of the country underwent, in accommodating itself to the change which peace produced, after having so long been called upon to proportion itself to that extended theatre of war which was previously presented,—and to the altered state of demand and supply, which, in varied ramification,

affected almost every transaction of the country. I must attribute the last period of derangement under which the country still so extensively suffers, almost entirely to the financial arrangements of the government, and to their want of decision in the management of the question respecting the resumption of cash payments.

The depression and altered value, which attached to every description of property and commodity in 1814, 1815, and 1816, were extreme; and the measures, which were taken to assist in raising the transactions of the country into a state of activity again, appear, from having been pressed much beyond the point of necessity, to have prepared almost entirely for that extent of derangement, which took place in 1819, and which still continues.

The dismay and difficulty, into which the country was thrown in 1815, rendered it expedient not to depress it further by increased taxation, but to do every thing that could revive its drooping spirit, and make the financial arrangements bear as lightly as possible. Accordingly, in 1816, the deficiency of the revenue to meet the public expenditure was supplied by an issue of exchequer bills,—the currency was then at too contracted a point, and the Bank of

England made no difficulty of extending its issues, on such security. At the end of 1816, the commerce and transactions of the country began to assume renewed activity; and corn, which, at this period became importable for home consumption, founded the basis of exchange for the sale of our manufactures and other articles, to continental customers. In 1817, the same system of financial accommodation was pursued. The free import of corn, which has so extensive an influence in calling forth the industry of the country, from being so valuable a medium of exchange, still continued. The increasing feelings of confidence were excited to the greatest pitch by every means of explanation and encouragement from the organs of the treasury both in parliament and out of it—interest of money fell to  $3\frac{1}{2}$  per cent.—the Exchequer Bills were issued at that rate, the 3 per cent. stocks rose to 85, and it was said, in the cant terms of that day, that no man would do justice to his family, if he sold them under 90. The public were led to understand, that a plan was in progress to pay off the 5 per cent. stock, and to substitute a 4 per cent., for which subscribers would be found at the same rate as for the 5 per cent. The value of property adapted itself to this altered state of opinions and circumstances.

Credit was greatly extended, and the business, both within and without the country, was conducted on an increasing scale—a large interest in other countries tempted capitalists to embark extensively in the negotiation of foreign loans, and in making more permanent investments of their capital on such securities. The people of other countries borrowed their accommodation from us, and proportioned, in some degree, the scale of their engagements to ours; and in America matters were, in this respect, carried to a much greater extent than elsewhere.

Such was nearly the situation of the transactions of this country in the beginning of 1818. The loan of  $3\frac{1}{2}$  per cent. stock, which was made in the first part of that year, was very ill received, because a considerable amount of Exchequer bills was funded, and a check was given to the over excitement of the money market, which had previously been so strongly encouraged; but still no acknowledged opinion prevailed, that an alteration of the currency would soon take place. The discussion respecting the resumption of cash payments by the Bank of England, which had been annually brought forward since the return of peace, was again renewed, and the period of resumption was again deferred till the 5th of July,

1819 ; but the ease and advantage which had been so extensively felt, by a currency which was very undefined, impressed a further belief on the public mind, that even then no serious measures would be taken to return to payments in specie ; and this was confirmed by the financial arrangements of the Government not being such, as to enable it to make its repayments to the Bank.

At the end of 1818, the opinion gained strength, that the advocates for the resumption, were likely to prevail, in the next session of Parliament, and transactions of every kind became paralyzed. At this period the over speculations in the French funds produced much derangement, and many failures in Paris and elsewhere.

In the early part of 1819, when it became certain, that a Committee was to be appointed to investigate the question of cash payments, much surmise, and very general alarm prevailed, as to the consequences that would ensue. Mercantile confidence entirely ceased, because the appointment of the Committee was felt as the abandonment of the foundation, on which the transactions of the country were then raised. Sales of almost every commodity became very limited, and confined to actual consumption, and the usual credits and

facilities within the country ceased. London being the great resting point on which the transactions of the world may be said to turn, her merchants withdrew their credits from their correspondents in Paris, Amsterdam, Hamburgh, and the other principal markets of the continent. They again, being deprived of this facility, withdrew their accommodation from their correspondents in other parts, and the consequence very soon was extensive bankruptcy in every quarter.

To trans-atlantic places the same denial of assistance was extended. Grain began to fall in price to an undue extent, and was no longer a valuable medium of exchange; and when the sugars, the tobacco, the cotton of those countries came to Europe, they would no longer sell. Our manufacturers, who supplied those countries with manufactures, had no longer their accustomed orders; and the stagnation and want of employment, which pervaded our manufacturing districts, extended their influence to the agriculturists, who could not long remain unaffected by circumstances, which pressed so severely on the rest of the community.

It is thus that the origin of our present derangement is to be traced, and it is now much to be regretted, that the system of financial accommodation in 1817 had

been carried to so great an extent. If a more prudent course had then been followed, and if a funding of Exchequer bills had in that year taken place, it is probable, that the industry of the country from that period would have gone on with an equal course,—engagements would not have been hurried on to the extent they were, and the path would not have been prepared for that derangement, which has extended so widely, and which has swept away all the advantages, that it was calculated the country had secured.

If in the course of 1818 the financial arrangements had been more attended to, and made so complete, as to have placed the Bank in a situation to follow it's own measures more independently, then a great part of the mischief which has occurred might still have been avoided ; the Bank would gradually have had it in it's power, to bring it's circulation within the regulated extent which was necessary ; and although at this time the system of previous excitement had been carried too far, to admit of restraint without some inconvenience, yet a great part of that extreme alarm and dismay, and the consequences arising from it, caused by the appointment of the committee, would have been avoided.

Nothing is more delicate, than the agitation of any

doubts respecting the solidity or continued supply of that medium, on which the transactions of a community rest; and therefore, when the question for the resumption of cash payments was given over to the consideration of a committee, it is not wonderful, that an extreme impression was produced; and that an extent of derangement and distress, such as we have experienced, did occur, because it was felt to be a question, which the Government and the Bank could not regulate, consistently with their views of the public interests.

From this short summary of the financial arrangements of the government, and of their management of the Bank Question, it appears, that the derangement, under which the country laboured in 1819 and until the present time, has been almost entirely occasioned by the extremes, into which the whole transactions of the kingdom were thrown; first, by a system which raised up the most unbounded expectation and advantage; and then, when it was brought to a point requiring very nice regulation, by abandoning it to all the wild alarm and interested surmise, which the appointment of the committee created. By this double operation, matters are now brought back in many respects to the situation they were at in 1815 and 1816; with this difference, that, in conse-



quence of the determination of the committee respecting cash payments, it has been resolved, that the difficulties of the country are now to be fairly and undisguisedly contended with—that its industry is to be allowed its free and natural scope, but that the resources which this industry affords are to be the foundation, out of which the revenue is to be acquired, and by which all the engagements of the country are to be fulfilled.

On having arrived at what is called a natural state in this respect, and having determined to sit down in a state of peace, with the hope of maintaining such a sphere of industry as may enable us to discharge all the national engagements which devolve upon us; it becomes very desirable to inquire, whether there be any impediments, which are likely to retard our progress; and, if there be, it is most important to endeavour to awaken the public attention to them.

I am decidedly of opinion, that the industry of the country is at all times rendered more fluctuating than it otherwise would be, by the restrictions to which its various branches of commerce are subjected; that, when there are periods of commercial derangement, they are prolonged by them, that they are particularly impolitic in time of peace, and if persevered in must

diminish the whole scale of industry of the country; that they beget endless vexatious inconvenience; and are a very fruitful source of war and hostility with other nations. In disclosing these consequences I shall not attempt to enter into a consideration of the whole of our restrictive system; to which, if it were a task really useful, I am unequal: I shall content myself with giving my illustration of them, by endeavouring to explain the effects produced by the present corn-bill; by the duties amounting to prohibition on the importation of foreign timber; by the effects of the transit duty on foreign linen; by the enactment of the duty on the import of foreign wool, which is about to come into operation; by the vexatious effects of the navigation act; by the system, to which the trade of our West India colonies with the United States is subjected; and by the general inconveniences, which result from excluding our countrymen from following the free bent of their energy and intelligence in discovering new channels of trade in the Chinese Seas and the Pacific Ocean.

These subjects, according to the explanations I shall offer, involve no question of public revenue; and are, therefore, in the opinion of all persons, open to the most free observation.

The system of restriction is one, which the country has long been accustomed to ; and as it has been eminently successful, from various circumstances, during its operation, I am well aware, that the strongest prejudices are formed in its favour ; although the benefits we have derived from it are, in my opinion, very wrongly estimated.

It is not intended to dispute, that at times particular branches of industry, favoured by peculiar circumstances, have been much aided and advanced by a restrictive policy, and have had more both of the industry and capital of the country drawn towards them, than they would otherwise have had ; but it is still more evident, that while war, rapine, and revolution, pervaded the rest of Europe, the security which England enjoyed called into operation a sphere of industry, ingenuity, and capital, in the United Kingdom, of which there is no parallel in the history of any country in the world. The advantages we have derived from this security are too often confounded, by superficial observers, with a benefit secured to us by our restrictive enactments. It is certainly therefore a duty of the first consequence, to inquire how far the proud preeminence, which England now enjoys as a powerful nation, is likely to be

maintained by adhering to her present restrictive policy ; when that security, which did so much for raising her, is now participated in by the continental states of Europe.

From being so long familiar with legislative regulations in trade, the public mind has been too much accustomed to consider the holders of different species of property as existing under divided and separate interests ; and by no class of the community has this been more strongly felt and expressed, than by the proprietors of land, who, in opposition to the merchants and manufacturers, are called the landed interest. Had these different classes only one transaction to make, were the first to be the last bargain between them, then there might be some reason in supposing, that each party had a different interest ; but, dependant as they are upon each other for all the necessaries and comforts of life, nothing can surely be more unfounded.

In early times the interference of the merchant, in his limited operations, first served to give facility and extension to the productions of agriculture.—As agriculture grew, commerce grew also, and the effect of commerce was only to give increased facility to the extending scale of industry ; and if allowed

it's free scope, it must invariably tend to encourage the whole scale of industry of that country where it settles ; and, wide and extensive as our transactions now are, this observation is quite as applicable to our present state, as it ever was at any earlier period of our history.

When agriculture and manufactures have raised their productions to such an extent that they cannot be consumed within the country, the surplus must be exported to foreign parts ; and if it cannot be exchanged by the exporter to advantage, then the manufacturing and agricultural industry which produced it must suffer, from not getting a proper return for the labour bestowed upon the exported production ; and whether the agriculturalist or the manufacturer first sustain the injury, the consequence is eventually the same ; the party injured being unable to continue a good customer to him who has escaped, produces a counteracting effect in the scale of both.

From possessing for upwards of twenty years the far greater proportion of the trade of Europe, we have not only increased our scale of production in every former source of industry, but under the favour of particular circumstances we have acquired some branches, which formerly existed in other countries,

and which, of course, at a preceding period afforded commodities of exchange for some of the productions of our industry : in this way the iron we were formerly supplied with from Sweden and Russia is now fabricated at home. The various linen manufactures, with which we were formerly supplied from the continent of Europe, are now entirely displaced by the extension of our linen and cotton works, and we might enumerate several other branches, which have undergone a similar change.

With this increased scale of production, and consequent want of foreign articles of exchange, there does appear to be the most unaccountable want of foresight, in our proceeding from day to day to fetter those exchangeable articles which still remain with additional restrictions, which can only prove mischievous to the whole industry of the country.

The spirit of the late alteration of our corn law is a most prominent example of this sort, because it is directed against the free trade of that article, which forms the most extensive basis of commerce.

Corn, being a commodity which is spread through innumerable hands, and of great value, gives in ordinary times a tone, according to the freedom with which it can be used as a medium of exchange, to the

extent and activity of almost all commercial transactions. Accordingly experience has invariably shown, that, whenever corn is allowed to pass freely from one country to another, these countries have had their industry stimulated into regular and salutary activity. The nation having corn to spare either takes itself, or becomes the medium of a third country's taking the superabundant produce of the state that imported the corn; and thus a mutual accommodation in the exchange of such articles as can be spared in one country, and taken in another, is extended to all. The trade in corn is however so general an object of jealousy in this country, that, notwithstanding restrictions of every varied kind, which ingenuity could invent, have been applied to it's regulation, and it has been found, that every successive epoch brings some new principle for adoption, still experience seems blinded by the same feelings of jealousy; and, instead of allowing ourselves to reflect with fair liberality, that the best regulation, which can be applied to the trade of the article, is to allow it to regulate itself, we still go on to attempt fresh legislation upon the subject. In early times it was the policy, to restrain import, and to encourage export. An alteration took place in 1765, importation was allowed duty

free, and exportation prohibited. In 1773 a new system was tried, in 1791 another, in 1804 another still, and in 1813 a committee of the House of Commons sat, out of which the present operating law emanated ; but still it is found, that this law, made only in 1815, will not answer, and again new legislative information is called for on the subject.

The professed object of the last law was, to secure a more constant and abundant supply of corn of our own growth. It's supporters said, this country should not be dependant on other countries for so necessary an article as corn ; and enacted, that no foreign corn imported should be used for home consumption, unless the average price of wheat was 80s., and other grain at different proportionate rates : thus intending to guarantee the restriction price to the British corn grower, until such time as Britain should supply her own consumption. It allowed the importation of foreign corn at all times, to be lodged on bond under the King's lock ; thus professing at the same time to make this country the great granary of Europe.

Certainly if legislation could effect it's object, the most urgent person for his own or his country's interests could not wish for a measure aiming more decidedly at this object ; for it proposes to have every



thing in the manner most agreeable to our own fancy. It would, in the first place, deny us all foreign supplies of grain for our own use, that our farmers might still extend their cultivation, and get very high prices for their corn. It afterward discovers, that our commerce would be very much impeded, if we were deprived of foreign grain as a medium of exchange; and then it would propose to give us this advantage by getting all foreigners to lodge their surplus grain here, paying us a good granary rent for it and other charges, until a market can be found for the sale of it in some other part of the world.

Though proposing to effect so much, in tracing the operation of the law I believe it will be found, to have been extremely inconvenient and injurious to the industry of the country; and to have in no respect whatever proved advantageous in protecting the prices of agricultural produce, or rendered us more independent of supplies of foreign grain. But before I enter into this examination I wish to say a few words about the circumstances in which the country was placed, and the temper and feelings which existed, when this measure was enacted, as by doing this we shall be enabled to appreciate it more justly.

When the committee sat in 1813, they state

the average price of wheat during the four preceding years to have been 105s. per quarter; they also refer to the extreme state of hostility, to which this country was subjected in her wars with France and countries dependant on France. They state, that, in consequence of the denial of liberal supplies of foreign corn, which this restrained intercourse occasioned, amounting to a prohibition of import, agriculture had been much extended in England and Ireland; and that such great extension might still be given to the cultivation of these countries, as would render the United Kingdom independent of foreign supplies of grain; a situation she ought by every means to endeavour to attain, to place her beyond the influence of any foreign hostility. Events were at that time wearing the decided appearance of a termination to the war: and, apprehending that foreign supplies of grain would be coming in, the committee recommended, that a duty of 24s. per quarter on imported wheat should be imposed, whenever the price of wheat was under 105s.; it being assumed, that 105s. were a fair remunerating price to the farmer, and such a one as would be an inducement to him to extend his cultivation.

The resolutions of the House of Commons in

1814, and the present operating corn law, took their character from the principles embraced by the committee; but the error in every instance, which appears to have been made, is the supposition, that a law would have as much power as the force of circumstances to maintain and extend cultivation, and keep alive the general industry of the country.

During those years of the last war, when we were placed in a situation of the greatest hostility with France, it was not so much owing to our being prevented from importing foreign corn in an unrestrained manner, that our cultivation was extended during that period; but because the general industry of the country was constantly kept alive, and fresh enterprise was fully remunerated. The system of Buonaparte's warfare on the continent went to destroy there the commercial character entirely. Commerce, therefore, found a resting place here only; and we were the merchants and manufacturers, by force of circumstances, of the rest of the world. The waste and expense of war centred here also, and gave employment to very extended branches of industry. It was in consequence of the solid increased demand for agricultural produce, which these circumstances created; and after the war in the Peninsula commenced, the demand

for corn and cattle to feed our armies there, which gave a great inducement to the Irish farmer to increase his productions of both ; that our agriculturists benefited so largely. But to say, in a state of peace, that a law can give that demand, and fix those prices, which the force of circumstances under a different state of things occasioned, is to perplex and deceive ourselves most unaccountably.

To make us understand more clearly, that it was upon the demand which our industry found, that our agricultural production was stimulated and increased during the war, and not by a denial of foreign corn alone ; I will suppose, that this country had not possessed the exclusive commerce, industry, and security, she did enjoy ; and then I would ask, where the means would have been found to extend agriculture, and to give those prices for corn and cattle, which were given. If our industry had been impaired, what would the denial of foreign corn have done for our agriculture ? The general scale of our population in this case would have gradually become diminished to that of our industry, and our diminished powers would have accommodated themselves, not only to the refusal of foreign supplies of corn, but to a diminished extent of our own agriculture. The true and only

distinct guide, therefore by which we can be regulated in our agricultural as well as every other interest of the country, is to follow that system of policy, which is to give the greatest scope to our general industry.

When peace was restored, the situation of this country became most sensibly changed ; and it is to this change we must resolve to accommodate ourselves. England, who had carried herself with proud pre-eminence through all the dangers of war and revolution, and had offered here alone a refuge for the ex-patriot of other countries, who might resort hither and find a secure place of deposit for his property, or who might hence carry on a trade with his own country, interdicted in vain by the anti-commercial system of Buonaparte, had again the rest of the world thrown freely open to contend with her, in many branches of industry, which circumstances during the war had placed exclusively within her own control. The world now presented a wide and almost unfettered field for enterprise and competition. The other nations of Europe came into it with the burden of all that exhaustion, which dilapidated resources, broken up connexions, and forgotten habits of busi-

ness imposed. England had every thing that capital, constant habits of business, established connexions, unrivalled ingenuity, could give her ; and all that buoyancy of feeling, which successful enterprise during many previous years had excited. But the first effect of the peace was to raise the future hopes of the continental states, while in England it tended to break up the whole of those connexions, engagements, and establishments, which had grown out of a state of war. The whole frame of the relations of the country was altered ; and much and general loss or disappointment was to be undergone, before the energies of the country could be brought to contend in the new theatre, which was presented to it.

The present corn law passed during the time the country was undergoing the change. It was feared, that the land, which had been so extensively cultivated during the war, would be deserted ; that the farmers, who had got such high prices for their agricultural produce, could no longer be able to pay their rents, if means could not be devised, to protect them in getting those prices, which, in a state of war, they had obtained ; and that, if this could not be done, the money expended in the cultivation of waste lands would be

lost, and the manufacturer would no longer find in the farmer the same extensive customer he had heretofore done.

If the passing of an act of parliament could secure such advantages as are here endeavoured to be obtained, every man in this country must be agreed as to it's expediency : but if the law only serve to keep up a fruitless delusion ; and be made to conceal from us, that during the war the high prices got for agricultural produce were occasioned by the particular situation, in which the country was then placed ; and that the energy, which enabled it to pay these high prices, was supported by the great sphere of industry existing within it ; then we must not expect any benefit from such an act under altered circumstances.

It will now be desirable, to see how the act of parliament above-mentioned has operated, since it's enactment in 1815, in protecting the agriculturist, and giving us a more abundant supply of corn of our own growth. In this year, the most extensive derangement prevailed, owing to the changed state of engagements which a return to peace occasioned, and the prices of every article were without any fixed level ; therefore, notwithstanding foreign corn could not be used for home consumption, unless the average

price of wheat was 80s., still the average price of English wheat declined to 55s. ; and, every branch of the industry of the country continuing excessively depressed, the protecting character of the act was of no avail whatever to the farmer.

Before I state the occurrences of 1816, it is necessary to observe, that that part of the law, which admits foreign corn at all times under lock, is of no advantage in giving that facility to commerce, which it was intended to render. When a certain market cannot be afforded for the sale of a perishable commodity like grain, no person will come under any engagements on account of it, to any considerable extent ; for he does not know whether the funds so involved may become available again in six, twelve, or eighteen months, or even a longer period. Consequently, there is no inducement for the foreigner to send his surplus grain here, because he cannot get a sufficient advance of money upon it. When our ports are shut to the free use of foreign grain, there is therefore no assistance given to the exchange of commodities by the circulation of that part of the surplus grain of the continent, which may, at no great distance of time, become necessary for the consumption of this country.



During this year (1816), the law proved extremely disadvantageous in retarding the revival of the industry of the country, and was also the means of the farmer getting a worse price for his corn, than he otherwise would have got. The derangement into which the different branches of industry were thrown, by the altered demand that a state of peace produced, made it impossible for the farmer, the manufacturer, and the merchant, to get within the country such consumption for their various productions, as would again give activity to their transactions; and the operation of the corn bill tended to keep them in this state of helplessness. The spring of 1816 was very backward; it was evident, from the early frosts, that the coming crop had sustained considerable injury; and the summer and autumn were equally unfavourable. If corn had been imported with some freedom throughout this year, the stimulant it would have proved to the manufacturing industry of the country would have extended its influence to every other branch; and there is little doubt, that the farmer would have been in a better situation, than he was placed in under the operation of the law: but under its influence, hardly any corn was imported in

the early part of the year, because the price had been pressed so low in 1815, that a very great rise must take place, before it could be admitted for home consumption, and the merchants had consequently no courage to import.

While the industry of the country was thus denied the benefit of that advantage, which would have arisen from an exchange with the continent, our farmer was kept in constant apprehension, if prices rose to the import rate, that the markets would be deluged with foreign corn, and that prices would be driven back again to the lowest point. He therefore constantly hurried all his stock to market, that he might avoid that rush of foreign supply, which the law, upon the opening of the ports, promised to bring upon him. He sold at low prices, and was deceived; the industry of the country was needlessly checked; and in the end of this year the ports opened for the import of foreign corn.—200,000 quarters of wheat were the whole quantity imported, and the nation was made to pay 120s. per quarter for the best wheat. If a regular importation had taken place, a more adequate supply would have been imported; a general diffusion would have been given to the active industry of this country, and of the inhabitants of the continent; the

farmer would have been a gainer ; and we should have paid, probably, at the end of the year, 90s. or 100s. for wheat, instead of a few individuals reaping a very exorbitant profit on a limited, inadequate importation.

Throughout 1817 and 1818, a very large importation took place ; and this circumstance, together with the system of financial arrangement before described, gave great activity to every branch of industry within the country. The only effect of the law, during this period, was, to perplex persons importing foreign corn, with doubts and difficulties about it's future admission ; but the farmer, during these two years, felt the benefit of the general active state of the industry of the country, as extensively as any other class of the community, notwithstanding the importation of foreign corn was most unusually large.

At the end of 1818, a very considerable importation of foreign corn had taken place ; and doubts became very strong, that the currency of the country would not be allowed to remain on the footing it was then upon ; the prices of grain, and every thing else, became extremely fluctuating, and the whole industry of the country became wavering and uncertain. In the beginning of 1819, foreign

corn was still admitted for home consumption ; but it became very uncertain, whether the ports would remain open after May, when the average price came then to be ascertained.

At this crisis, it is useful to see how the law operated, in giving the protection it professed to afford. When every person was involved in all the doubts and difficulties, which the appointment of the Bank Committee occasioned, there could not be a period more desirable, that the supplies of corn from abroad should be as limited as possible for a time. However, the law promising to shut the ports to the free importation of foreign corn after May, every supply was hurried forward, that could have a chance of reaching this country in time for it's admission. The consequence was, that a momentary supply was afforded, much larger than the generally estimated wants of the country required ; this circumstance combining with the alarm about the Bank Question, prices immediately declined excessively ; and, notwithstanding the ports have, from that period, remained closed to the importation of foreign corn, prices have still continued to decline, and the average price of wheat is at present only 63s. per quarter. The law, in this case, seems to have answered no other purpose, than to

aggravate the inconveniencies, to which the country was subjected.

I have further every reason to think, that it has operated to prevent the restoration of the industry of the country longer than would otherwise have been the case, and is at present acting in this way. Confidence is now nearly restored, in regard to the extreme effects, which it was at one time apprehended would arise permanently to all transactions, from the determinations of the Bank Committee; and it has been for some time ascertained, that the whole foreign corn imported *free* for consumption, previous to May 1819, has been eaten up; that the production of our late harvest was not nearly so great, as was at one time imagined; and that, instead of it's having been above an average crop in point of quantity, it may be considered as under an average one. It is further allowed, that our last crop was a very early one; and that we began to consume it fully one month earlier than usual, from the state of the supply making it necessary for us to do so—and yet, with all these circumstances to induce a better price for corn, added to the guarantee which the law gives us, that no foreign wheat shall be admitted under 80s. for home con-

sumption, the average rate of English wheat remains at the price I have before mentioned.

If we would inquire into the cause, why this is the case, we shall find, that our manufacturers and farmers have both been reduced to a state of great distress. In his best days, the farmer is a very extensive customer to the manufacturer; but even then, he cannot nearly give full employment to the production of the manufacturer's industry. In his depressed days, he cannot probably afford one half the extent of employment he could do in his best days; but because the average price of wheat is not 80s., we determine to shut up two parties together from all foreign access, when they are confessedly unable to relieve each other. How can a measure, acting in this manner, either raise the price of corn, or restore the industry of the country? Instead of doing so, whenever the country is in a deranged state, it must produce the most mischievous consequences, by prolonging the difficulties under which we labour, until absolute want begins to stare us in the face; and then the industry of the country is allowed to restore itself by the mutual exchange of commodities, which takes place between this country and other countries; but which is protracted until

that moment arrives, without doing good to the farmer or any other person. When this law was passed, I am certain that no person contemplated such a result; but experience teaches us, that this is the fact.

The observation we hear in the mouth of every continental merchant, at present, is, that it is impossible to buy either manufactured goods or colonial produce, except in the most limited quantity, and at very low prices, because there is no sale for the surplus corn of the continent; and that wheat is, in consequence, forced down, in some places abroad, to 30s. per quarter, without finding a buyer. If the law did not operate to prevent the introduction of this grain, its price on the continent would immediately rise: the powers of the continental customer would daily increase to consume our exported articles, and the renovation, which would thus be extended to various branches of industry in this country, would soon produce a favourable influence on the situation of our farmer. It would have done so in 1816, and I have no doubt, that the same would be the case at present, if the law did not prevent it.

But our situation is in some respect different from what it was in 1816; and I would, therefore, wish to

look a little further, and see how much more inconveniently the law may probably operate now, than it did at that time.

Although there is great reason for thinking, that there has seldom been a period, when there was a shorter supply of grain on hand in this country than at present, still no person has courage to import foreign corn to any extent, because the prices here are so much below the average price, which regulates importation. The farmer, on the other hand, has sold off his stock ; partly from necessity, and partly from the apprehension, that very large supplies may pour in, tempted by the very low price, which he hears that corn has been forced to abroad.

Placed in such a particular situation by concurring circumstances, I will suppose, what may, in the common course of probability, happen ; that we have an unfavourable spring, and that, owing to the bad prospect of the next crop, it becomes certain, that the ports will open again in May or August for the free importation of foreign corn.—Whenever this opening presents itself, almost every ship in this country, and in the ports of the continent, will be put in requisition, to bring corn hither. The merchants of this country will enter into large



speculations in foreign grain, and will also be willing to give assistance to their correspondents, to send grain hither. The consequence must be, that prices abroad will rise very rapidly, and the momentary origin, which will thus, in various ways, be given to an enormous amount of bills being drawn upon this country, may, under the operation of the cash resumption act, produce a most inconvenient temporary effect upon the exchanges. The sum that may be drawn from various places, in three or four weeks, may amount to several millions; where at present hardly any transaction exists; and the measures, which the directors of the Bank of England may, under such circumstances, feel themselves compelled to take to protect their currency, may occasion very serious inconvenience to many individuals. When the resumption of cash payments was determined upon, it was certainly an omission in the committee, to overlook this palpable operation of the corn law. It ought then to have been resolved, to allow the transactions of the country such freedom, that the value of exportation could more nearly, under all circumstances, keep pace with the value of importation, and thus have prevented a pressure upon the exchanges, which, under the present system of the currency, may be

quite intolerable. The very speculative situation to which this law reduces the whole transactions of the country, ought also not to be overlooked; the capital, which such a hurried import of grain must afford to the merchants of the continent, would raise up a demand there for colonial produce, and every other article, which, under our former refusal of admission to grain here, was prevented from taking place, except in the most limited manner. With short supplies of grain, and of our exports on the continent, the large profits, which would attend the first transactions of every exporter and importer, would beget that spirit for speculation, which we are so much in the habit of decrying; but which it is impossible, that the ingenuity of man could incite by any means so powerful, as by the uncertainties attending the operation of this law; and I am sure I should not lay a very bold claim to the gift of prophecy, were I to say, that the practical truth of this observation will very soon be verified.

In every point of view, in which I can consider this law, I find endless inconvenience attending it; opposing that interest, which it is raised up to protect; and inflicting a serious mischief upon the whole industry of the country. Instead, therefore, of pro-

ceeding to enact another Corn bill, and give currency to the idea, that an Act of the Legislature has in itself the charm of affording protection to the agriculturist, let us see on what principle the cultivation of land depends.

Agriculture can be increased only by an external or internal demand for the produce of it's labour. If we consider the state of society of this country, the extent of our population, our climate, soil, and various public burdens, added to the consideration, that we have very rarely, in any year, produced sufficient corn to feed ourselves: no person can be very sanguine, that we can compete with Poland, Russia, France, and America, in raising corn at such prices, as to enable us to sell it in competition with them in another country—therefore we may at once dismiss the idea of raising corn for exportation in ordinary times, as a hopeless chimera. If we do this, it will then appear, that the support we are to expect for our agricultural produce must entirely depend on the demand existing within the country for it; and, if we look at the subject in this natural manner, the fallacy of depending upon a Corn Law, as a protection for our agriculture, is very evident, unless it brings with it an increased demand for it's produce. In every instance

to which we have adverted, it is obvious, the operation of the existing law, instead of increasing the industry of the country, and therefore augmenting the demand for the produce of agriculture, has tended to depress the industry of the country, and to prolong the calamities, under which it has suffered ; and therefore, borrowing wisdom from experience, we ought not longer to delude ourselves with false prepossessions, but to look at our situation with fairness and impartiality ; and if the law do us injury instead of good, we ought to get rid of it, and adopt a more sound principle of acting,

In the present state of peace, it is impossible to create, within the country, that demand for agricultural produce at enormous prices, which circumstances, belonging exclusively to the very extraordinary character of the war in which we were engaged, occasioned. It was naturally to be expected, that, with the cessation of the war, the spirit for extended cultivation, to which the extraordinary demand for agricultural produce gave rise, should cease ; and that some land, forced into tillage by undue temptation, should revert to a state of pasturage, when a different state of circumstances would no longer afford an adequate profit by cultivating it.

That derangement and disappointment must attend a change affecting so many persons, cannot be doubted: it is one which the altered state of society has brought about; and this being the case, it is surely much more wise, to accommodate ourselves plainly and intelligibly to our situation, than to deceive ourselves into an opinion, that by corn laws we can produce a state of demand, which no longer belongs to the present times. Our duty is to consider what we really can have, and not what we are inclined to have.

If we look at the subject in this light, we must admit, that it is necessary to abandon the immediate intention of cultivating bad land, which the circumstances of the war might have forced into cultivation; and that some land, which has been brought under tillage, must revert again into pasturage. The capital, which, under other circumstances, found encouragement and advantage in extending agriculture, must now seek employment elsewhere; for if the law could keep capital in an unproductive employment for a time, the effect, which must soon arise, would be the total absorption of that capital, and the cessation of that industry, to which it gave birth. It will employ itself, in extending it's

manufacturing productions, in exporting them to all quarters of the world, and in receiving from it's various countries the different productions they afford. It finds employment in importing from the continent of Europe, among other commodities, grain, which is the most extensive article of exchange, that can be got from it; and by taking which the inhabitants there have the means of consuming the varied productions, which it is it's interest they should consume, for the purpose of keeping it's industry alive.

But although this necessary change of circumstances produces an alteration, in the relative situation of the agriculturist, from that in which the war placed him, we must not under the first feelings of disappointment, suppose, that any very extensive change will permanently take place in the cultivation of the country. The population of the country was increasing at the termination of the war, with the increasing tillage; and, since the peace, the population has not diminished. A very plain inference therefore arises from the large consumption that still continues, that whenever the extension of tillage is checked, and lands to some extent are thrown into pasturage, it is necessity requires us, not only to import an additional quantity of foreign corn to what

we imported during the war, but that our own tillage should proceed ; otherwise we cannot obtain the food that is necessary to sustain us.

It appears to be more than probable, that the discouragement, which our agriculture has received, owing to the extreme derangement of the times, first in 1815 and 1816, and again in 1819, until the present day, has already checked our cultivation to a much greater point, than the altered channels of demand in peace and war rendered necessary, or than would be necessary to admit of a free trade in grain taking place henceforward. I ground my expectation, in this respect, on the generally admitted fact, that our tillage is now less extended, than it was previous to the peace ; that our population has, since that time, not decreased ; and that, during 1817 and 1818, importations of foreign corn were unusually large ; but that they only served to supply the wants of the country for a very short period, and that we are again, according to every probability, on the eve of requiring additional importations ; and that, if we have the ports open again this year, we shall have got, in an irregular inconvenient manner, in three years, the whole surplus of four years' continental produce.

If we had a free trade in grain, the agriculturist would gain confidence in his undertakings, when he recollects, that there has scarcely been a season so favourable in modern times, as to admit of the grain grown in this country being sufficient for our consumption ; that, on an average of years, a considerable importation has been requisite ; and that the largest supply, which other countries have ever afforded us, has not been adequate to more than an estimated sufficiency to supply three or four weeks' consumption \*.

When we talk of a supply to this extent, we must also recollect, that this is not a supply, which can annually be given to us by other nations ; but it is one which previous accumulation, or a season of more than usual abundance, has enabled them to afford us. The years 1817 and 1818 are very forcible examples of this position ; for the state of the money market, and the speculative spirit begot by the

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\* The importation of all kinds of foreign corn amounted, in 1817, ..... to ..... 2,158,731 qrs.

Of flour and meal, 1,167,312 cwts.

in 1818, ..... to ..... 4,480,000 qrs.

Of flour and meal, 752,000 cwts.

See Parliamentary Returns.



existing Corn law, produced every excitement to bring foreign grain, which was in abundance abroad, into this country; and yet, if we compare the average importation of these two years with forty millions of quarters of all kinds of corn \*, as the quantity requisite for our consumption, according to Mr. Colquhoun's estimate in 1812, we shall find that the supply did not amount to the estimate I have before stated.

Depending so largely as we do on our own growth of corn, and knowing how little comparative assistance foreign supplies can give us, even during years, when unusual importations are afforded, the apprehension seems quite unfounded, which would lead us to suppose, that foreign corn, if freely admitted, would regulate the price here; the cost of it's production here must be the principle, on which the price is regulated in this country under any system of trade, because we can in no other way be fed; and the object of importing foreign corn is, to guard against the inconveniencies of a deficiency of our own growth, and to furnish an exchange for the productions of our industry, applicable to foreign trade; by doing which,

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\* See Encyclopædia Britannica, Vol. III. Part II.

the internal industry of the country is kept alive, and our agriculture, to the extent to which it is carried, is placed on a more solid footing than it could otherwise be.

This country, Spain, Portugal, and other importing countries, have always, on an average of years, taken and consumed all the surplus grain, which other states did afford them; and the only immediate difference which a free trade would occasion, would be, that it would disperse this surplus in a convenient manner without restraint, which has been hitherto given in a very uncertain and unequal manner. But, if I estimate rightly the extent of the check, which agriculture has sustained, there is every reason to think, that the stimulus, which a more free trade would give to the industry of the country, by raising it from the extreme state of depression into which it is thrown, might immediately encourage tillage in some degree to resume its former extent; and the increased demand for animal food, that more enlarged and full employed population would require, would create a greater scope for the occupation of pasture lands.

It would appear, therefore, that the dread which is so generally entertained of our farmers being ruined, if corn were freely admitted at all times

into this country, is founded more on apprehension, than on reality ; and the same feeling guides us when we imagine that a free trade would augment the surplus of foreign corn so much as to produce an overwhelming supply from this circumstance. If we consider the state of those countries on the continent, which, under an improved state of agriculture would be in a situation to give us increased supplies, we must suppose a very considerable change in the state of their society, to enable them to do so. As improvement extended itself in their agriculture, it is to be expected, that a considerable alteration would take place in their mode of living ; and that, as they became more easy and comfortable in their circumstances, their numbers and various wants would rapidly increase. It is very necessary to observe with attention, how comparatively little increased surplus produce extended cultivation affords, after society is in an advanced state ; for the additional numbers of mechanics, agricultural labourers, cattle, &c., which are reared, to sustain the extended agriculture, by their consumption, keep the increased surplus, that can be afforded to other countries, more limited than our first judgment upon the subject lead

us to believe. If a free trade in grain had the effect of producing a more extended system of cultivation, and we were thus spared somewhat more foreign corn, the new people thus raised up would become consumers of various articles, on the sale of which the activity of different branches of our manufactures depended ; and as our industry and population increased, we could afford to import an additional quantity of foreign corn, without injuring our agriculturists, because we could consume more.

If corn were allowed to circulate freely, it would be found, that the average production would accommodate itself to the average demand ; and that the superfluity of an abundant year would find consumption in the more free use of this abundance, or in the diminished production, which a succeeding year would afford.

By such a system, the trade in corn would be much more intelligible, than it has ever been allowed to be under that system of restraint and uncertainty, in which it has hitherto been involved ; and grain, which has so decided an influence on the price of every other article, from being so extensive a medium of exchange, would, from assuming a more steady current

value, influence in a proportionate degree all other transactions, and render them much less fluctuating, than they are at present.

From the evidence, which was adduced before the Committee of Lords in 1814, it appears, that it may be adopted as a general remark throughout the continent, that wheat cannot be raised with advantage, unless the grower gets at the port of shipment 50s. per quarter for it. If he had perfect freedom, therefore, in sending this grain at all times where he chose, he not only would claim this price, but he would endeavour to get the highest price, which the prospect of any distant market afforded; for experience always shews us, when grain is admissible here, the price abroad keeps full pace with the price here, because persons there are entirely influenced by the feelings, which regulate the holders of corn in the most considerable market of consumption. The effect of our allowing corn to circulate therefore in this way would be, at all times, to give it in all places a more fair average value; and if such a change of system were in operation at present, instead of having wheat on the continent now at 30s., available for no purpose as a medium of exchange, by allowing it free circulation we should have it at a price proportionate to our prices, giving the holder

of it disposable means to the extent of 70 or 80 per cent. more than at present, to purchase many articles, and to give employment to industry he cannot now call into action, conferring benefit upon us by the increased extent of exchange. And to ensure it's continuing at a full price, British capital would very willingly be lent to the foreigner, on the deposit of his grain here under such circumstances, until a market could be found for it; for the British merchant would know, that, under such a system, the wheat would at all times command the amount of any reasonable advance he might grant upon it, and not as at present be of no value from not being admitted for home consumption; and that by a little patience a remunerating price would be obtained, because the average price here could not long continue below the cost of it's production in this country.

In claiming protection against the introduction of foreign corn into this country, the agriculturist is always in the habit of confusing himself, by supposing, that he and the foreign grower are brought into the market of this country as two competitors for the supply of it's consumption.

On the other hand, no person can supply the great extent of consumption here, except our own farmer;

and the foreign corn is brought in chiefly to form an exchange for industry existing within the country, but employed in occupations which require consumption without the country.

Our importations of corn will therefore, if freedom be allowed to our actions, always be counterbalanced by exportations of various articles, to fully as great or greater an amount; and if we could divest ourselves of those feelings of jealousy, which a confined view of our own interest begets, I feel persuaded, that the extension of our industry, in consequence of a free trade with the various states of the continent, would not only convince us, that our true interests were consulted by adopting this policy, but that their stability was best secured, by gradually getting rid of our illiberal commercial system.

It is farther comfortable to reflect, that, if we adopt this policy, the high price of corn, which it's production in this country occasions, would be no hinderance to our continuing large exporters of every description of manufacture that our industry can produce: because our ingenuity and capital can overcome every competition opposed to them; and as there appears to be no danger from our paying high prices for corn, if we give ourselves fair play in other respects, but that this

advantage will continue, we may prospectively calculate on employing increasing industry, to exchange for such future supplies of foreign corn, as we may import.

It may be said, that the ground, on which I found the calculation of our exported industry keeping pace with the importation of corn, is very fallacious because many countries, which supply corn, take very little of our manufactures and other produce in direct return. But although this may be the case, the country that has the bills on London, becomes the purchaser of some commodity, the exportable produce of a third; and though the exchange should go it's rounds as far as a fourth, or fifth, or even sixth country, the bills on London, issued at first for corn, put it into the power of any of the countries, through whose hands the bills may pass, to purchase such parts of British exportable industry, as the people of such country have a wish to use; and Great Britain, whose exportable industry extends to so many varied species of manufactures. and of produce taken in exchange for manufactures, which are more or less in demand in every part of the world, has little chance of being placed under any disadvantage by such operation



I feel very confident, from every point of view in which this subject can be taken, that a free trade in corn would be the most important measure we could adopt, for rendering the industry of this and every other country of Europe much less fluctuating, than it is at present, and for providing for our own peace, comfort, and security.

But whenever the taxation to which we are subjected is mentioned, it involves our imagination in endless perplexing difficulties ; and the first bent of our feelings is to lead us to impose duties on every article we import from a foreign country, that we may, as it is said, place the foreigner and ourselves on an equal footing : but we ought to recollect, that the exportations, to which foreign trade gives rise, are the means of employing a great deal of industry within the country ; that those exportations cannot continue without considerable importations ; that the foreign trade is of great use in securing the public revenue, because it sets our industry in motion ; and when full employment is given to our population, the taxes, heavy as they are, can be collected, without great difficulty ; because in this case the taxes when collected are either paid to the public creditor, who is chiefly resident in the country, or to the different establishments connected with the govern-

ment, and these persons again pursue an expenditure within the country, which calls industry into action, and provides prospectively an extended resource of taxation.

I make this allusion, because there is a very general opinion at present, that foreign corn should be imported at all times liable to a fixed duty. Certainly such a measure would be infinitely preferable to the present law, because corn, deducting the duty, would in this case form a constant medium of value; but it is evident, that the effect of such a duty would be merely to make every quarter of foreign corn a less extensive medium of exchange for our industry, than it would otherwise be, and therefore less operative in calling so large an extent of it into action.

If the cash resumption act were urged as a necessary measure for placing the industry and transactions of the country on a natural and stable footing, it is to be expected, that every person, who advocated this measure, will in common consistency unite in calling for a repeal of the present corn law, and adopting a course more free from prejudice and compatible with the real interests of the country.

It is to be hoped, that the common remark, which passes so current for sagacity, that seven tenths of

the population are dependant upon agriculture, and three tenths only on commerce ; and therefore, that the merchants and manufacturer should yield to the landed interest, may not longer be adopted as an axiom. It is, on the other hand, much to be desired, that it should be understood, that one and the same interest is common to the whole community ; that the landed interest cannot stand in the scale it does, without the aid of commerce ; that commerce is also equally dependant on the landed interest for it's support ; and that that policy is alone sound, and consistent with the public interest, which calls into action the greatest sphere of industry within the country. If the advice of those persons were attended to, who would make Great Britain independent of foreign corn ; she could no longer be that Great Britain we have been accustomed to consider her ; her industry from the want of other articles of exchange, would be cut down to such a point, as to satisfy the mere wants existing within herself, and the exportation of her manufacturing industry would be limited to such an extent, as would barely procure her the luxuries she can herself consume. If the scale of the country be wilfully altered to this extent, and her industry compelled to retrograde

instead of advance, it is impossible for any person, to predict what would be the extent of derangement which must ensue. But I will hope, as the subject must soon be forced upon the attention of parliament, that a better policy may be adopted, and that the energies of the nation may be allowed a freer scope.

Having concluded the observations I had to offer in regard to the restrictions, which apply so injuriously to our trade in corn, the next point, to which I would request attention, is to the duties, almost amounting to prohibitions, which have been imposed upon foreign timber.

In 1810 the power of Buonaparte on the continent was at it's height,—he was then in the full career of that policy, which made him attempt to ruin Great Britain by interdicting all intercourse between her and the continent of Europe. No trade could then be maintained, except through the medium of foreign flags and licenses; and his direct dominion or influence extending through almost all the north of Europe as effectually as over France itself, the supplies of timber from Norway, Sweden, Russia, and Prussia came to us loaded with heavy charges, and were rendered even precarious.

To give encouragement to a trade with Canada

and Nova Scotia, for obtaining the supply of this necessary commodity, and to give a temporary protection to the British ship-owner, who was shut out from employing his vessels in the European trade, the former duties on all timber from the north of Europe were doubled; this Act was to continue for ten years, and upon such a bulky article of small value, it operated very heavily.

The duties, thus doubled, stood as follows :

		<i>Permanent.</i>			<i>War.</i>			<i>Total.</i>		
		£.	s.	d.	£.	s.	d.	£.	s.	d.
Per load of timber,	B. S.	2	1	0	0	13	8	2	14	8
	F. S.	2	3	0	0	14	4	2	17	4
Deals, per 120	B. S.	13	2	6	4	7	6	17	10	0
	F. S.	13	12	0	4	10	8	18	2	6

At the same time, all descriptions of timber, coming from British America, were allowed to be imported duty free; and this arrangement, as one of protection, was made to meet the fullest extent of the wishes of the Committee of Canada merchants, who were consulted on the occasion.

However, in 1813, the minister of that day found it necessary, to have an increased revenue, and leaving British American timber still duty free, he imposed an addition of 25 per cent, on the permanent duties of timber of the north of Europe, making

		<i>Permanent.</i>			<i>War.</i>			<i>Total.</i>		
Timber, per load,	B. S.	2	11	3	0	13	8	3	4	11
	F. S.	2	13	9	0	14	4	3	8	1
Deals, per 120,	B. S.	16	8	1½	4	7	6	20	15	7½
	F. S.	17	0	0	4	10	8	21	10	8

This duty was at this time less burthensome on the trade to the north of Europe, because we were then at war with the United States of America, and the large premiums of insurance, and other charges at that time were a hinderance to our trade with America.

Finally, on the conclusion of a definitive treaty of peace, the whole preceding question respecting duty was settled by the Consolidation Act, 2d July, 1819, wherein these duties are fixed under our peace system and relations as follows:

Timber, per load,	B. S.	3	5	0
	F. S.	3	8	0
Deals, per 120,	B. S.	20	15	8
	F. S.	21	10	8

It is, however, to be observed, that although this consolidation Act is passed, and is expressive enough of the policy which we are desirous of following; yet the Act, which doubled the duties in 1810, expires this year, and an opportunity is therefore afforded, of considering the whole spirit of the enactments, by which they were raised to their present extent.

Previous to that most extraordinary revolutionary æra, which gave France such an 'extended dominion throughout the north of Europe, our trade with those countries in timber was very extensive. In 1809, the year previous to the imposition of the double duties, the tonnage employed in it amounted to 428,000 tons. Being a near trade, it was the most natural one for us to follow, in obtaining the supply of such a bulky and necessary article. The hardy inhabitants of Norway, Sweden, and Finland, our natural friends, depended upon the produce of their forests, as their almost only source of foreign trade. From Prussia and Russia our imports were also very large; and the proceeds of all these importations founded the basis of a near, natural, and extensive trade of mutual exchange between Great Britain and those countries.

The temporary spirit of the enactment of 1810, shews the real feeling of that day; that necessity drove us for a time to apply to British America for supplies of timber; that, if it rendered it necessary for the person, who furnished that supply, to erect works of expense, he should enjoy the benefit of a duty, which should protect his undertakings for ten years; and it must be further recollected, that the pro-

tection in this respect has been rendered more ample, since 1813.

Every person, who impartially retraces the past, will allow, that the statement I now make, is correct; and therefore, as a mere matter of bargain between the Government and the Committee of North American merchants, the former would this year be at full liberty, without breaking good faith in any respect, to reduce the duty on timber from the north of Europe to one third of it's present amount, or the rate which was imposed previous to 1810. Views of good policy, or of revenue, may restrain the Government from carrying their measures thus far; but there is no other positive or implied bound to their conduct.

Now peace is restored, it is necessary for the best interests of the country, that we should not carry measures, which the circumstances of the war forced upon us, too far. It is our duty to consider, that, being happily in this state, we should again extend our natural bonds of amity, as widely as changed circumstances will admit. Although it may not be good policy, after having fostered the rising trade of British America for ten years, and made many persons forget the tenure under which



they held that commerce, to throw her back to such a state of competition with the countries of the north of Europe, as would annihilate her trade in timber entirely; yet one immediate step we can have no hesitation in taking, and this is, to reduce the duties somewhat below the rate imposed in 1810: for they were then calculated, not to place the trade of British America on a footing of competition with that of the north of Europe, but to raise up a new trade, and place it beyond the competition of the north of Europe.

The views of the ship-owners and the merchants, connected with British America, would make us perpetuate all the feelings of jealous hostility, to which war gave birth. They say, Will you not protect British shipping, and a British colony, exclusively in the supply of timber to Great Britain? And the ship-owner adds, with redoubled ardour, Would you think of importing Baltic timber, which lasts twice as long as American timber, and cut down that nursery for British seamen and British grandeur, which is reared in importing an article so much less durable, and which therefore promises lasting increased employment to British shipping?

If it be wished, that the relations of peace are to be cultivated, and it's proper and natural sphere given to

the enterprise and energy of this country, such doctrines must be manfully resisted.

In looking to our connexion with British America, we must view it, as it is, a connexion with a very distant country, which, though peopled by Britons, must one day follow the fate of all other colonies, and with it's growth, must substitute the feelings and interests of British North Americans for those of the first poor helpless and dependent British emigrants. A connexion is not longest maintained, which is founded on a forced and unnatural basis ; on the contrary, British America is more likely to remain longer united to us by treating her justly and fairly, than by making us so dependent upon her, as to create a spirit of undue expectation ; for when this spirit is once fairly raised, future cordiality is not likely to continue long.

It would, therefore, be very unwise, with such a future prospect, to prosecute an exclusive trade in peace with British America in this article. By reducing the duty on timber to such a point below the rate of 1810, as may place the north of Europe on a fair state of competition with British America, justice will be done to all parties, and our own accommodation will be most permanently secured. At present, from the distance of the American voyage,

supplies of timber are very ill regulated, and the market price is therefore rendered too fluctuating. Any rise of price brings, at a distant time, too large supplies; and if markets be dull, they are liable to be rendered insufficient, from the same sort of calculation.

On all near countries the effect of the excessive duties is, to entail general ruin. In Norway, the timber trade has been followed always under the hope of our unnatural system being altered, until almost every merchant in that country has been ruined. In Sweden and Finland, the same observation applies; for, in all these countries, timber is now almost the only basis, on which their trade rests. In Russia and Prussia, although the resources of these countries are more varied, as far as timber is concerned the observation applies also. The duties are so excessive, that, under the most favourable state of markets here, a mere trifle remains to the shipper, after paying freight, duty, and charges; and, in many cases, the duty, freight, and charges, absorb every thing, and bring a debt upon the shipper in addition.

The effect of this state of things is, to ruin entirely an extensive and natural near trade, which placed us on a friendly footing of reciprocal exchange with

our neighbours; and drive us to depend wholly on a distant unnatural trade, which the most sanguine among us cannot look to as permanent.

As the continuance of this policy in peace bears all the character of jealous hostility, it begets unfriendly feelings towards us in those countries, to which such measures apply; they consider us as a selfish, sordid nation, actuated by no feelings of liberal principles. Enemies are raised up at our very door, whom nature teaches, by our own acts, that it is their duty, to take the earliest opportunity of aiding any other power, that may attempt to crush our ascendancy.

On the other hand, if the duties were lowered to the point I have mentioned, although it would not bring back the countries of the north of Europe to the same advantages they enjoyed previous to 1810, the change they would experience, from the great suffering our system has exposed them to, would be felt as a great relief; it would be widely received as a token of liberal, fair acting on our part; and would do much to remove those sentiments of hostility and enmity, which now exist against us. It would gradually restore to us a natural trade of exchange with those countries, which is daily dwindling into ruin,

and, if not arrested, will soon totally cease. It would give America all the fair advantage we ought to allow her to claim; and, what is of no small consequence, by reviving a trade every day going to ruin, it would add considerably to the revenue, which is at present got from the duties on foreign timber.

The impolicy of the restriction, which our present high duties impose on this branch of trade, is so obvious, that I think it quite unnecessary, to make any more observations on the subject.

I would only add, with regard to the ship-owner, that he appears to over-estimate very much the advantage, which arises to him from this distant trade in timber. A trade, which is rendered very fluctuating to the merchant, cannot lastingly be very beneficial to the ship-owner, who freights the ship for the voyage; and those persons, who have been most extensively engaged in it of late, will not say much in favour of it as a steady beneficial trade.

A trade which gave the option of either an American or a Baltic voyage for timber, would prove most advantageous to the ship-owner. As regards the Baltic a number of ships have, within the last two years, gone to the upper ports, and from want of employment have been either obliged to return half empty or to re-

ceive goods as freight upon terms scarcely less ruinous. Such a sacrifice need not have been made had the duties on timber and deals permitted the shipment of such cargoes, or allowed the ships to seek for freight in the lower ports of the Baltic, where the timber trade is principally carried on. Neither of these alternatives being open to the ship-owner, he is forced into a trade of unnatural competition in the higher Russian ports ; and instead of being able to perform two and three voyages during the open season, he very frequently can only accomplish one.

In the discussion, which took place about four years ago in parliament upon the transit duty on foreign linens, may be found another strong example of the injury and inconvenience, which our restrictive policy carries along with it.

A duty of 50 per cent. is imposed on all linens manufactured in foreign parts, which pass through this country to a foreign mart. This tax was imposed during the heat and agitation of war, but has now been so long continued, that all advantage is likely to be lost from a trade in the article, which might have been derived from repealing the tax immediately after the conclusion of peace. If German and Russian linens had then been allowed to

come to this country, and to pass through it without duty, the person wishing to make up a convenient assorted cargo for St. Domingo, for Cuba, or Spanish South America, or the United States, would have found here German linens, as well as all sorts of British manufactures. Our continental trade would have been assisted by linens being made a medium of exchange for our exports, and the continental merchant would have been accommodated more conveniently by sending his linens hither in transit, than by sending them across the Atlantic; but the Scotch, and particularly the Irish manufacturers, would not allow, that foreign linens should come in and be exported in competition with British manufactured linens to trans-atlantic quarters, and therefore this policy was persevered in.

The effect has not been, to prevent foreign linens from going in large quantities to those countries; the only difference produced is, that, instead of their being more conveniently supplied through the medium of this country, the capital of the British and Foreign merchant, is employed in sending them directly from the continent, and at the same time of sending different cotton and hard-ware manufactures from the continent, which would have been

much better supplied from Britain. When this question was discussed, the president of the Board of Trade stated, that the prejudices of the Irish manufacturers were so strong on this subject, that, although he thought their views perfectly wrong, he felt it his duty, in consequence of the disturbed state of that country, to yield to them. It is an arduous task, to contend against prejudice; but as the most useful occupation, which the Board of Trade of this country can be employed in, is to contend against the various fetters, which short-sighted views of interest have imposed upon our commerce, I regret exceedingly, that a branch of the government, which might be made so important in time of peace in healing the mischiefs of war, by accustoming the public mind to subjects so intimately connected with the national welfare, should not be more prominently occupied in bringing such subjects before the public attention. Good sense, and enlightened views will, by perseverance, always be made to prevail; and it seems very desirable, by the weight of authority to take some pains, to regulate public sentiment in a proper manner with regard to commercial policy.

This observation brings me very naturally to notice



the duty of 6d. per lb. imposed on the importation of foreign wool during last session of parliament.

This is so recent a measure, that it is anxiously to be hoped it may still be reconsidered and abandoned, before it involves us in the inconveniencies it is likely to entail upon the country. It is liable to all the objections, which have been so fully adverted to, when speaking of corn, in opposing obstacles to the importation of an article, which can be offered in exchange by foreign countries, for our exported industry. It has the additional objection of arresting the industry of the country by imposing a duty on a raw article intended for manufacture, and thus giving a bounty to the foreign manufacturer to compete with our own.

In this respect it will appear how very heavily it applies. The greatest proportion of German wools imported, are of a common coarse description, suited for our most extensive branch of the woollen trade, and the cost of them being from 2s. to 3s. per lb.; the duties amount to 20 per cent. of their value—which upon a coarse commodity, commanding an extensive sale only on account of its cheapness, is an excessive burden.

Accordingly I understand, that the effect of the duty is likely to operate in making many of the manu-

facturers, who are engaged in this description of manufacture, give up their works, or curtail them considerably. In imposing this tax two objects were meant to be gained: the landholder said he was so heavily burdened, that he must be protected against the competition of sale, which the import of foreign wool occasioned; and that he was the more especially entitled to this protection, because he was prevented from exporting British wool. The Chancellor of the Exchequer favoured the measure, because he wished to secure additional revenue. It will be useful to trace, how far these objects are likely to be attained. I quite agree with the landholder in thinking, that a very needless restraint is imposed, when he is prevented from exporting his wool; but it is not so easy to discover, how he is to be benefited by imposing a duty upon foreign wool. The duty may operate to reduce the price of foreign wool so much abroad, as will admit of it's being still imported and sold with the duty, for the same price as formerly. In this case the landholder is no better off than formerly; but the foreigner is made poorer, and his means of taking goods from us in exchange is diminished, and thus a re-acting influence in various ways extends to other branches of our industry: or the duty may operate to restrain the import of foreign

wool; in this case it will serve as a bounty of 20 per cent. to the manufacturer in Silesia, to extend his coarse cloth manufacture in competition with that of Britain; and it must be recollected, that the manufactures in Silesia are already in an advanced state very little behind our own, and that a bounty operating to this extent may raise them beyond our own.

It is further very generally understood, that the King of Prussia, taking lessons from our system of policy, is intending to impose a duty on the exportation of wool from his dominions.

If by various means the continuance of this duty cut down the extent of our manufacture of cloth, then it will be found, that neither the ends of the landholder, nor those of the Chancellor of the Exchequer, will be answered,—that the only thing attained will be, to fence the country with another short-sighted restriction, which will only tend to sap it's energies, and to retard both public and private prosperity.

Whatever advantages the navigation Act may have conferred, in extending, more rapidly than would otherwise have been the case in early times, the shipping of this country, it now entails many regulations upon our commerce of the most vexatious and injurious nature. The general principle of the navigation

law is, that no goods or commodities whatever, of foreign growth, production, or manufacture, shall be imported into England, Ireland, Guernsey, or Jersey, in any other vessels but such as are British built, and the property of British subjects, &c., or are of the build, and belong to the country, whence the goods can only be, or usually are, *first* shipped for transportation. And that all such goods, which are to be brought into England, &c., in British vessels, or shipping belonging to the place of their growth, produce, or manufacture, shall not be shipped from *any other* place or country but those of their growth, &c., or from such ports only, where they can only be, or are usually *first* shipped for exportation, under the penalty of forfeiture of the goods, and the vessel in which they were imported.

The consequences arising from the application of this law may be best explained by exemplification. If a cargo of various goods be shipped to a French, Dutch, or German market, from America, or any other trans-atlantic quarter, and on the goods being landed, local or other circumstances produce a very depressed sale for them, although these goods, if imported into this country, might secure a good profit to the merchant importing them for sale to

some branch of our own manufacture, or with a view to some ulterior adventure, still they cannot be re-shipped and imported without incurring the penalty of confiscation of ship and cargo. By the application of this rule, it might happen, that, on the approach of a year of scarcity, cargoes of American flour might be lying in various parts of the continent; but in consequence of this law, they could not be imported into this country. In such cases, orders in council are occasionally passed, to supersede the observance of the law, but such interference produces much needless uncertainty, which ought never to be created without a sufficient cause. In the same manner, if a cargo of wine from Oporto be carried to Amsterdam, and cannot be sold there; whatever might be the advantage, to be got from shipping it to England, our law will not admit of this shipment taking place.

If the wool of Spain be sent to France, and cannot there be sold, there is no possibility afterwards of bringing it hither, however much it may be wanted in this country. I might go into an almost endless catalogue of the same description, but examples enough will necessarily arise to the mind of every person, who reflects on the subject.

Owing to the same law, if goods first imported

into this country be exported again to any part of the continent, and if they do not command an advantageous sale, and the owner of them might be inclined to bring them back again, the proofs of the identity of the property are so difficult, that, when goods are once exported, the exporter must make up his mind to sell them out of the country at any sacrifice.

By the 6th of Geo. III. cotton wool was made an exception to the foregoing rule; and it can now be imported from any place whatever, in British-built vessels. When this rule was extended, it is much to be regretted, that the Legislature had not given a wider range to it's operation; for that commerce, which, if rightly dealt with, should be left as free as air, and should have no regulation, except what its own accommodation found necessary to secure it, should be impeded in such a manner, is really most unaccountable; it would almost appear, as if such impediments were raised in a mere spirit of wantonness.

The policy of our navigation Act has created a spirit of opposition to it in America, to which, in reason, there can be nothing opposed by us, however inconvenient and disagreeable the operation of the retaliation may be felt. The American Government adopts the policy of a general freedom of trade; it,

however, fairly combines that of countervailing restrictions against all nations, who adopt a restrictive system against it. To meet the operation of our navigation Act, Congress have passed an Act exactly the counterpart of ours; declaring, however, at the same time, "that this regulation shall not extend to the vessels of any foreign nation, which has not adopted, and which shall not adopt, a similar regulation." The effect of this law is, that, so long as it is in force, no Baltic, French, or any other foreign produce, can be imported into the United States, in a British vessel, under pain of confiscation of both ship and cargo. As this is a measure, which our own regulations have provoked, it is much to be desired, that it may not long pass unobserved by Parliament, and then, in the spirit of fair and just explanation, be put under proper regulation in future. Subjects of this nature, from being often left to the discussion of foreign ambassadors, whose imperfect knowledge, and often limited powers, are by no means suited to the importance of the consideration, are settled by such superficial arrangements, as carry in themselves the seeds of future discord, perpetually renewing bad blood between nations, and paving the way for new wars.

Let us look at our own policy with true impartiality,

and the acts of liberality, which cannot fail to follow, will, in the end, be found to be the wisest diplomacy: we shall then instruct other nations to be liberal, and teach them their own interest, by showing them that we know ours.

The foregoing observations derive additional importance from the restraints, which have been imposed on the trade between our West India Colonies and the United States of America; a direct intercourse is now prohibited from taking place by ships belonging to the United States with our West India Islands; there is a jealousy on our part, that the numerous small vessels, which would be employed constantly in carrying timber and provision, would give them a perfect knowledge of the weak points of our colonies, and put it more readily into their power, to wrest those possessions from us in any succeeding war. Congress, in retaliation, has enacted, "that the ports of the United States shall remain *closed* against every vessel owned by a subject, or subjects, of His Britannic Majesty, coming or arriving from any port or place in a colony, or a territory of His Britannic Majesty, which is, or shall be, by the ordinary laws of navigation or trade, closed against vessels owned by citizens of the United States." The same Act



obliges the consignee or agent of British vessels, departing from the American States, to give bond, that the articles shipped shall be landed in some port which is not closed against vessels belonging to the Union.

To obviate part of the inconveniencies, which are thus entailed on our West India Colonies, Bermuda is made an *entrepôt*, to which the American may proceed with lumber, provision, &c., which, being landed, are transhipped in a British vessel for the Colonies.

In this state of things, this country succeeds in establishing a policy, which is quite consistent with its views; the West Indian can no longer go directly to the United States, and carry there his rum and molasses, which he is entitled to exchange for lumber and provision, getting a good market for the former, and purchasing his lumber and provision of a good quality, and at a cheap rate.

He must now carry his rum and molasses in a British vessel to Bermuda, where he must exchange them for lumber and provision brought thither in an American vessel. The sugar and molasses must be carried thence to America in an American vessel, and the lumber and provision in a British vessel to the West Indies; thus entailing upon the planter all the expense of this shipment and transhipment,

and shipment and transshipment again, and agency, and ensuring him withal a smaller first price for his rum and molasses, than if they went directly to the United States. If he do not carry on this intercourse with Bermuda, he must carry his rum and molasses to Canada or Nova Scotia in a British vessel; and at neither of these places can he be supplied so cheaply with his lumber, as he could be from the United States. He is obliged to pay a great deal more money for his flour, and, even contrary to our liberal policy, a great deal of that flour, which he does buy, has grown within the territory of the United States; he finds there, in addition, a much more limited market for his rum and molasses, than he did when the United States also were open to him. In such an unnatural train is the supply of the West Indies now carried on, that, during the last year, upwards of 20,000 barrels of American flour were carried thither from Liverpool, and there is a prospect of this trade continuing in future. Are colonies to be maintained for any good end, or are they likely to continue long united to us, under such an intolerable system? Classes of people are kept united together in affection exactly in the same manner as individuals are; and if the Christian precept of "Love thy

neighbour as thyself" were more practised by us, not only would our sphere of industry be increased, but it would be rendered durable. The first effect of our present colonial regulations is to expose the colonist to great and needless expense; at his expense, indeed, you employ some British ships and seamen, and you give to Canada and Nova Scotia an extent of trade, which they otherwise would not have; but can reason satisfy itself, that this strained, bolstering system can last? A British Colonist in the West Indies has those affections for Britain strongly imbued in his feelings, which are so characteristic of his emigrant countrymen in every part of the world; but if you place him under such disadvantages as these, how is it to be expected, that he will continue the natural bent of his affections? You drive him by force of interest from you, and by your own Acts you prepare the West Indies to unite themselves with the United States, your former emigrant countrymen, whose secession from your allegiance has afforded so useless a lesson to your reflection. Can it for a moment be said, that a danger, so strongly tempted as this, is to be put in competition with the apprehensions, which are to be entertained for our West India possessions from the

paltry, niggardly suspicion, that the Americans will gain a knowledge of the vulnerable points by visiting them in their small schooners with lumber and provision?

What better prospect does Canada and Nova Scotia offer to us, by giving them the advantage of this trade at the expense of our West India Colonists? Like all unnatural advantages, it ensures in return no solid, lasting benefit. Having taught them to expect, that, under our protection, these unnatural advantages would be given to them, if hereafter our policy be modified, they will complain, and be discontented; and if we should finally lose that power in the West Indies, which enabled us to pamper them, they will leave us, as mankind separate themselves in adversity from those friends, who were their patrons in the days of their former prosperity. A colony is entitled to the fullest protection and advantages, which the mother country can naturally afford it; and her fostering wings, in time of war, may give it advantages of a decided nature; but in peace, it ought not to look for more than that extent of protection, which can be given it without breaking in upon those natural relations of society, on which the peace of the world must ever depend.

If, in place of our Colonists in the West Indies being exposed to this galling and unnecessary expense, they were allowed to supply themselves, where they could do so cheapest, with provision and lumber, then a convenient trade with the United States would be resumed; the increased capital, which would be saved to the colonist, would be remitted to this country, and would seek employment by giving increased extension to some lasting source of industry; the continued affection of the British colonist would be maintained, and instead of laying the foundation for future war on bad and indefensible principles, our policy would be to give lasting and increasing scope to the peace and industry of the world.

It appears already, that fresh difficulties are arising out of this system. The President of the United States mentions in his speech to Congress, that further restrictive measures against us are in contemplation. He does not mention what they are, but the object of them will doubtless be the principle of retaliation, on which that government uniformly and consistently acts. I hope that the vexatious policy we pursue, and which naturally rankles with hostility in the breast of every American, may not lead them to

a wide policy of this kind, which may disseminate mischief and inconvenience much more extensively than hitherto. Petitions appear to be presented to Congress from various branches of manufacturers in America, claiming further protection against British manufactures. In spite of our reasoning, that, taxed and burdened as we are, there is an impossibility of our standing the competition of foreigners; the Americans in their petitions allege, that their manufactures will be ruined, unless they are protected against the ingenuity and capital, which the manufacturers of this country bring against them. When self-interest and prejudice are allowed to exercise their influence, plausible reasons will ever be found, to justify the enactment of restrictions in any country; but from every instance, which has been adduced in the course of these observations, as it appears that this country is pre-eminently interested in as free and uninterrupted an intercourse as possible being adopted throughout every country of the world; as with the increase of their resources, guided by such a liberal intercourse, her resources must still continue to grow and extend; it surely is most wonderful, that Great Britain is not only not yet awakened to all the mischievous effects of

such a policy, but that she is the leader in that very course, which is to cut most speedily and most effectually at the root of all her prosperity.

I come now to close my observations on restrictions, by making a few remarks on the impediments, which are still opposed to the free trade of the British merchant in the Chinese seas and the Pacific Ocean. Already the mystery, in which the trade to India was involved, is partly disclosed to the observation and understanding of the merchants of this kingdom; by the partial opening, which has been afforded to the free trade; and it is to be hoped that the liberality of the East India Directors will induce them, to allow a further extension to it's scope in accordance with the sense and understanding of the country.

During the war it is not to be wondered at, that the Court of Directors resisted the extension of the free trade under any modifications whatever to the Chinese seas; they had an exclusive right, and the continent of Europe drew it's supplies of tea entirely from this country; therefore it would have been unreasonable, to have expected them to abandon this right at that time. But the continent is now supplied entirely by the American, the Dutch, and other ships, which resort to Canton. The vessels of these countries also

carry on a varied and extensive trade with Malabar, Cochin China, and every part and place which their interest and enterprise may lead them to within those seas. The East India Company neither can, nor are they supposed to be inclined, to enter into a trade of competition with the vessels of those countries; but because that company has its birth and origin in Great Britain, it will not allow its own countrymen, to take their chance of advantage in carrying on a trade, which is already prosecuted to a very great extent by the merchants of other countries\*.

It is alleged by them, as was alleged before, when the trade to India was partially opened, that a description of persons would get out in the vessels trading freely, who would conduct themselves so ill to the

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\* In a small Pamphlet, entitled "The Rise and Fall of the Manufacturing System of Great Britain," it is stated, that the Americans have at the present time, a greater number of seamen in the Indian seas and Archipelago, than we have; which can be attributed to no other cause than the charter of the East-India Company, precluding British ships of suitable tonnage from trading in those seas; and afterwards proves most satisfactorily, from the Report made to the House of Representatives of the United States, by the Committee appointed to examine the state of American currency; that the United States acquire a clear gain of Five Millions of dollars annually, by the China Trade, from which trade the British merchant is totally excluded.



natives, as to involve consequences, which might endanger most imminently the security of our possessions in India ; and they further contend now, as they did previously, that further extended freedom of the trade would involve a scene of speculations and rashness, which would be most injurious to our national interests.

The experience, which the opening of the trade hitherto has afforded, does not teach us, that the persons who have embarked in the trade have conducted themselves otherwise than as sober, orderly men of business ; and if British ships were allowed to trade to the Chinese seas, and of a size of burden suited to such trade, there is no reason to apprehend, that the persons selected to carry valuable property to such a distant market would conduct themselves otherwise, than in the most respectable manner. As to the other argument, I shall merely say, that individuals, who have embarked in the trade to India since the opening, have in some instances been successful, and in other instances have met serious disappointment ; but the previous mystery, in which the trade was involved, is one great cause of the ignorant arrangements, which may at times have been made in some of the adventures. As the intelligence and enterprise of

the country become familiarized to the trade, it would be freely conducted, subject to all the ordinary fluctuations which attend every branch of trade, however prudently managed.

If British vessels were allowed to trade freely in the Chinese seas, it is said by persons, whose information is entitled to the greatest weight, that a field of successful enterprise would be opened to the country, much greater than belongs to the traders of any other nation, as the quantity of British manufactures, which would find an increasing sale there, is almost unbounded. It is, therefore, sincerely to be desired, that the East India Company, declining a competition with other nations in the trade of these seas, will lessen its prejudices against its own countrymen, and no longer maintain the argument, that other nations may trade freely to China, but that British merchants cannot be trusted to do so. If they do this, they appear to be justly entitled to continue the exclusive supply of tea to this country; it is a privilege they have fairly won; and the convenient and secure manner, in which the large revenue is drawn from this article, is another argument for its being continued to them.

The observations I have made lead me to say a

few words with reference to the Pacific Ocean. At this moment the merchants of New York and other parts of the United States are fitting out vessels of 150 or 160 tons, which sail round Cape Horn, and are prepared to enter the ports in every quarter of Spanish America, where they can have access, sailing thence to China or elsewhere. The march of events teaches us, that an important alteration must soon take place in the dominion of the whole of Spanish America ; and wherefore should we prevent the merchant of Great Britain alone, by imposing limitations on the vessels he would send thither, from acquiring the information, which passing events may give him for the direction of that mercantile enterprise, which must soon be freely opened in that quarter of the world ? I am no advocate for wild enterprise, but still less for that miscalculating policy of restraint, which shuts out information, by preventing our people from taking the only effectual way of acquiring it ; and entails all that ruin, which is often charged to speculation, but which is in truth very much occasioned by ignorance.

In retracing the foregoing observations, it appears, that the distress and want of employment, to which the country has been twice so severely subjected during the last six years, was in 1814, and 1815, occasioned by

the altered state of domestic industry, and the changed commercial relations, which a state of peace after a long-continued war naturally created, aided and unquestionably prolonged by the refusal of corn as a medium of exchange; and the last extreme distress, is much to be attributed to the apprehensions entertained of the consequences, which were likely to result from the anticipated recommendation of a metallic standard of value, by the Committee appointed by the House of Commons to inquire into the expediency of resuming cash payments, at a time when the country had been excited by former financial arrangements into a sphere of engagements so large, as, in place of any sudden change, required the most firm and consistent conduct on the part of Government, to recede from, without producing very extensive mischief. It also appears, that the restrictions, to which the commerce of the country is subjected, are at all times a great evil; that they tend to render it's industry fluctuating, and, whenever periods of commercial difficulty occur, to prolong them considerably; that they restrain fair intelligence and enterprise, and thus impede the growing sphere of general industry, whilst in other nations they engender feelings of hostility towards us,

which soon show themselves in raising up anti-commercial regulations in every quarter of the world, directed to destroy, if possible, our ill-guided ascendancy.

But called upon so strongly as the Legislature now is, by the intelligent voice of the country, to look into these subjects; we can scarcely doubt, they will, ere long, undergo its most deliberate consideration; and now that we are at peace, the best earnest, which can be given, of our wish to continue so, will be shown in our anxiety, to extend the social bonds of intercourse between this country and the other nations of the world.

THE END.

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Observations on the injurious  
consequences of the restric-  
tions upon foreign commerce

